



For Immediate Release

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Runner Warns 'Tax the Rich' Code for Taxing Job Creators

Board of Equalization Member Senator George Runner today warned that efforts by Assemblywoman Nancy Skinner (D-Berkeley) and other Democrat legislators to increase taxes on high income earners will actually punish California job creators and worsen volatile state revenues.

"Years of overtaxation and overregulation have given California the second highest unemployment rate in the nation. Even so some of our state lawmakers still believe that punishing success is a recipe for job growth," Runner said.

According to the Tax Foundation, California already has the third highest income tax rate and one of the most progressive tax structures in the nation. The top one percent of California's income earners have incomes of \$500,000 or more per year and pay up to 50% of all income tax revenues received by the state each year, according to a report by the non-partisan Legislative Analyst's Office.

Runner warned, "The battle cry to 'tax the rich' is really code for taxing California's job creators, including many small businesses that are struggling to survive. Rather than help California's budget, higher taxes will reduce revenues and drive even more job creators out of our state or out of business."

The Tax Foundation also found that most small businesses pay their business taxes using individual rates, and California's taxes on small businesses are among the most burdensome in the nation.

The California Taxpayers Association (CalTax) recently announced that Franchise Tax Board numbers show the number of Californians reporting million-dollar-plus adjusted gross incomes fell by 20.2% from 2008 to 2009. Reported income fell by 27.8% and the amount raised by the extra 1% tax on millionaires (enacted by Proposition 63 of 2004) fell 31.3%.

According to Caltax, the falling numbers are the likely result of a "combination of high-income Californians moving to states with a more friendly tax climate...and the impact of the recession on personal income."

CalTax also noted that a taxpayer making \$2 million can save nearly \$200,000 a year simply by moving from California to Nevada.

Runner concluded, "To paraphrase Ronald Reagan, the Democrats' view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it."

Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit www.boe.ca.gov/Runner.

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